

XXVith ANNUAL REPORT

2006-2007



देशरक्षक

DESHRAKSHAK AUSHDHALAYA LTD.

DESHRAKSHAK AUSHDHALAYA LTD.**XXVIth ANNUAL GENERAL MEETING**

Date : 29th September-2007
Day : Saturday
Time : 4:00 P.M.
Venue : Registered Office
Kankhal, Haridwar
Uttarakhand-249 408

BOARD OF DIRECTORS**Shri Paras Kumar Jain**

Chairman & Managing Director

Shri Tosh Kumar Jain [Executive Director]**Shri Manoj Kumar Jain** [Director]**Smt. Payal Jain** [Director]**Smt. Sudesh Jain** [Director]**AUDITORS****M/s Anil Jain & Co.**

10, Guru Mandal Ashram,

Devpura, Hardwar (Uttarakhand)

REGISTRAR TO THE TRANSFER AGENT**Mas Services Ltd.**

AB-4, Safdarganj Enclave

New Delhi

BANKERS**Punjab National Bank****State Bank of India****CONTENTS****PAGE No.**

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REGISTERED OFFICE & WORKS**Bhagwant Kuti,****Kankhal, Haridwar****Uttarakhand-249 408**

NOTICE

NOTICE is hereby given that the XXVIth Annual General Meeting of the Members of the company Deshrakshak Aushdhalaya Ltd. Will be held on 29th day of September 2007 at 4:00 P.M. at the Registered Office of the Company situated at Kankhal, Haridwar, Uttaranchal- 249 408 to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Payal Jain who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remunerations.

SPECIAL BUSINESS

4. Smt. Sudesh Jain, who was appointed as an additional director of the company on 16.08.2007 and liable to retire at the forthcoming Annual Genral Meeting and eligible for re-appointment, and in this respect the following resolution is required to be passed :-

"RESOLVED THAT Smt. Sudesh Jain be and is hereby appointed as the director of the company who is liable to retire by rotation ."

FOR AND ON BEHALF OF THE BOARD

PLACE : HARDWAR

DATED: 05.09.2007

Sd/-

(PARAS KUMAR JAIN)

Chairman Cum Managing Director

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxies in order to be effective, must be received by the Company not less than 48 hours before commencement of the meeting. The blank proxy form is enclosed.
2. The Register of Members and Transfer Books of the Company shall remain closed from 24th day of September 2007 to 29th September 2007 (both days inclusive) the same date shall be the record date for the purpose of recording transfer.
3. Explanatory Statement under Section 173 (2) of the companies Act, 1956. is enclosed herewith.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

In respect of Item No. 4

Keeping in view the quantum of business and to enter into export market it is proposed that Smt. Sudesh Jain having vast experience of foreign tours therefore it would be in the better interest of the company to appoint her as the director of the company to penetrate the export market.

All the Directors are interested to the extent of their shareholdings.

You director recommend to pass the resolution of appointment of the above mentioned director on the Board.

PLACE : HARDWAR

DATED: 05.09.2007

By Order Of The Board Of Directors

For Deshrakshak Aushdhalaya Limited

Sd/-

(PARAS KUMAR JAIN)

Chairman Cum Managing Director

DIRECTORS' REPORT

The Members,

DESHRAKSHAK AUSHDHALAYA LTD.

The Directors have pleasure in presenting the XXVIth Annual Report with the Audited Statement of Accounts for the period from 1st April 2006. to 31st March 2007.

FINANCIAL PERFORMANCE

The Company recorded total income sales during the year 2006-2007 of Rs 211.06 lacs as compared to the previous year of Rs. 212.98 lacs.

Brief highlights of the financial performance are as under:

	2007	2006 (Rupees in lacs)
Sales	210.22	211.81
Other Income	.84	1.17
Total Receipts	211.06	212.98
Profit/Loss before Depreciation Financial Charges and tax	8.25	14.13
Interest & Financial charges	8.45	7.90
Depreciation	16.84	15.82
Profit/Loss before tax	(17.04)	(9.59)
Provision for tax	0.00	0.00
Profit/Loss after tax (Net Loss)	(17.04)	((9.59))

FUTURE PROSPECTS

The inherent quality of harmlessness and neutral gravity of side effects increasing the popularity of the Ayurvedic medicines rapidly. The research and development in the field of Ayurved done over the years have made it more effective. Now the people have greater concern over the ancient pattern of Ayurvedic treatment. So the future of the Ayurvedic medicines are very bright and enthusiastic. The Management has taken steps through cost reduction to eliminate its losses incurred during the year.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Out go as per Section 217 (i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Direction) Rule 1988 are given under:-

(a) ENERGY CONSERVATION

Energy consumed during the year does not constitute a significant amount which is Rs. 7.20 Lacs

(b) TECHNOLOGY ABSORPTION

The techniques of preparation of medicines is based on ancient Ayurvedic pattern subject to time to time modification in accordance with the modern development. So the entire method is indigenous and no foreign technology is involved.

(c) FOREIGN EXCHANGE EARNINGS & OUT GO

Earning	32.04
Out Go	NIL

PARTICULARS OF EMPLOYEES

There is no employee drawing remuneration above that prescribed u/s (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India has through the Listing Agreement directed the listed companies to follow a Uniform Code of Corporate Governance, with necessary disclosures in the Annual Report. Necessary initiatives are being taken to ensure that the Company is fully compliant with the Corporate Governance Code.

DIRECTORS RESPONSIBILITY STATEMENT: YOUR DIRECTORS CONFIRM

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the annual account on a going concern basis.

SEGMENT REPORTING

The Institute of Chartered Accountants of India issued an Accounting Standard AS-17 for reporting on the basis of each segment in which the companies are engaged. Since your company is engaged in Ayurvedic Medicines only therefore there is only one segment, hence the AS-17 is not applicable to your company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Smt Payal Jain being retiring Directors and liable to retire by rotation at the forth coming Annual General Meeting and being eligible, offers herself for re-appointment.

AUDITORS' REPORT

Auditors observations as contained in the Auditors' Report are self-explanatory and do not call for any explanations.

AUDITORS

M/s Anil Jain & Company, Chartered Accountants, retire and are eligible for reappointment. They have submitted a certificate as required under section 224 of the Companies Act, 1956 to the effect of their reappointment if considered, would be in conformity with the limits specified in the said section. Your directors recommend their reappointments Auditors of the Company.

ACKNOWLEDGMENT

The Directors would like to place on record their gratitude to the Central Government and the State Government of Uttaranchal, the Financial Institutions and Banks for their invaluable support and cooperation. The Directors would also like to record their appreciation of the contribution made by the employees of the Company at all levels.

FOR AND ON BEHALF OF THE BOARD

PLACE : HARDWAR

DATED: 05.09.2007

Sd/-

(PARAS KUMAR JAIN)

Chairman Cum Managing Director

AUDITOR'S REPORT

To,

The Members

M/s. Desh Rakshak Aushdhalaya Limited

Hardwar

Gentlemen,

1. We have audited the attached Balance sheet of M/s. **DESH RAKSHAK AUSHDHALAYA LIMITED HARIDWAR** as at 31st March 2007 and the relative manufacturing, Trading & Profit & Loss Account for the year ended on 31.3.2007 annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, we believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's report) order 2003, issued by the central Govt. of India in terms of subsection (4A) of section 227 of the Companies Act. 1956 we enclose in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
 - (iii) The Balance sheet and Manufacturing, Trading profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance sheet and Manufacturing, Trading & profit & Loss Account dealt with by this report comply with the mandatory accounting standards referred to in subsection (3C) of